

Message Text

CONFIDENTIAL

PAGE 01 GEORGE 01746 290352Z

16

ACTION SS-30

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FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC NIACT IMMEDIATE 369

C O N F I D E N T I A L GEORGETOWN 1746

EXDIS

E.O. 11652: GDS

TAGS: EMIN, EINV, GY

SUBJECT: BAUXITE LEVY- PERSONAL SANCTIONS

REF: STATE 214567,

1. SINCE BURNHAM HAS GIVEN ME FAIRLY SOLID ASSURANCES THAT HE DOES NOT INTEND TO INVOKE THESE SANCTIONS AGAINST REYNOLDS PERSONNEL, I WOULD NOT FORESEE DANGER OF ARREST UNLESS REYNOLDS WERE TO ATTEMPT TO REMOVE ASSETS FROM GUYANA, E.G. COMPANY PLANE, RIVER TUGS AND BARGES, ETC. FROM MY CONVERSATIONS WITH WAGNER I DO NOT CONSIDER THIS LIKELY.

2. I HAVE BEEN IN FREQUENT TOUCH WITH WAGNER ON QUESTION OF SAFETY AND WELFARE OF REYNOLDS STAFF EVER SINCE GOG ANNOUNCEMENT OF BAUXITE LEVY ON SEPTEMBER 21. THERE ARE ONLY FOUR EXPATRIATES AT EXECUTIVE LEVEL, INCLUDING WAGNER, ALL OF WHOM ARE MARRIED BUT WITHOUT CHILDREN IN COUNTRY. OF EIGHT, SIX ARE U.S. CITIZENS, ONE BRITISH AND ONE CANADIAN.

3. WAGNER HAS BROUGHT TWO U.S. ACCOUNTANTS, WITH WIVES, INTO GEORGETOWN FROM KWAKWANI AND EVERTON. HE HAS RESERVATIONS FOR THEM TO FLY TO U.S. -VIA TRINIDAD ON OCTOBER 1. THEIR SERVICES ARE NOT ESSENTIAL AT THIS STAGE, AND WAGNER FEELS, AND I AGREE, THAT IT IS BETTER TO HAVE THEM OUT OF GUYANA, SINCE IF THERE IS ANY FLARE-UP AT ISOLATED SITES WHERE THEY WORK IT WOULD BE DIFFICULT TO EVACUATE THEM.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 GEORGE 01746 290352Z

4. MANAGER OF ENTIRE MINING OPERATION AT KWAKWAVS IS BRITISH,

WITH CANADIAN WIFE. HE HAS LIVED IN GUYANA MANY YEARS, ORIGINALLY WORKED FOR ALCAN, JUST RETURNED THIS YEAR FROM STATE-SIDE JOB WITH REYNOLDS. HE AND WIFE LIKE LIFE IN KWAKWANI, ARE WELL LIKED BY GUYANESE, AND ARE RELUCTANT TO LEAVE. WAGNER WOULD LIKE TO MOVE THEM BUT IF SITUATION DOES NOT DETERIORATE I GUESS HE WOULD LET THEM STAY. AT WAGNER'S REQUEST, I ALERTED MY BRITISH AND CANADIAN COLLEAGUES TO PRESENT STATUS OF THESE TWO.

5. WAGNER HAS ABOUT 3 OR 4 GUYANESE STAFF (PRINCIPALLY IN INDUSTRIAL RELATIONS) HE WOULD LIKE TO MOVE EVENTUALLY, AND WE HAVE RECEIVED VISA INQUIRY FROM GUYANESE GEOLOGIST AT KWAKWANI. WAGNER WILL PROBABLY RECOMMEND THAT REYNOLDS TRY TO TRANSFER THESE PEOPLE TO JOBS IN OTHER COUNTRIES.

6. TO ANSWER SPECIFIC QUESTIONS IN REFTTEL, IT IS OUR JUDGMENT THAT ONLY WAGNER, OR WHOEVER ACTING IN HIS PLACE, WOULD BE SUBJECT TO ARREST, AS LAW USES JAMAICAN FORMULA WHICH COVERS ONLY OFFICERS IN COUNTRY. WE HAVE NO REASON TO BELIEVE THAT, OTHER THAN WAGNER, EXPATRIATE PERSONNEL WOULD BE PREVENTED FROM LEAVING COUNTRY. (WAGNER HAS ALREADY OBTAINED NECESSARY PERSONAL TAX CLEARANCES FOR TOP FOUR AND WIVES.) AS TO WHETHER WE SHOULD RECOMMEND EVACUATION TO REYNOLDS, I WOULD BE INCLINED TO BE CAUTIOUS. I BELIEVE THERE IS LITTLE RISK OF PHYSICAL HARM, UNLESS GOG DECIDES TO ESCALATE SUBSTANTIALLY ITS PUBLICITY CAMPAIGN. I BELIEVE NEXT WEEK WILL GIVE US A CLUE ON THIS SCORE, AND IF STORM CLOUDS BEGIN TO BUILD UP, I WILL NOT HESITATE TO RECOMMEND

EVACUATION TO WAGNER AND INFORM DEPT. FOR TIME BEING, HOWEVER, I BELIEVE EVACUATING MORE THAN THE TWO ACCOUNTANTS COULD BE COUNTER-PRODUCTIVE.

7. AS TO LEGAL RECOURSE IN UNLIKELY EVENT OF ARREST OF A REYNOLDS OFFICER, THERE WOULD BE VERY LITTLE, SINCE THE LAW STATES PERSONS "WILL BE LIABLE ON SUMMARY CONVICTION" TO PAYMENT OF FINE AND IN DEFAULT OF PAYMENT TO IMPRISONMENT.

8. I AM GOING TO KWAKWANI SUNDAY, SEPTEMBER 29, LEAVING 1000 AON RETURNING APPROX. 1600, TO ACCOMPANY LIONS CLUB DISTRICT GOVERNOR AND MAKE PRESENTATION. WAGNER ALSO GOING. I TOLD JACK ON SEPTEMBER 25 ABOUT VISIT AND REASON THEREFOR. I HOPE TO GET A FIRST-CONFIDENTIAL

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PAGE 03 GEORGE 01746 290352Z

HAND IMPRESSION OF ATMOSPHERE AND ALSO TALK TO MINES MANAGER KREBS

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